

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 745 - SB 1135

March 13, 2021

SUMMARY OF BILL: Requires the Department of Labor and Workforce Development (DLWD), in coordination with the Department of Education (DOE), to develop and Administer the Tennessee Work Ready Opportunity Program (T-WROP). Such program will assess and certify adult displaced workers' and students' career readiness using nationally recognized assessments. Requires that such assessments be available in print and electronic formats and be available to adult displaced workers and high school students.

Requires LEAs and public charter schools to provide each student the opportunity to take the ACT WorkKeys National Career Readiness Certificate (NCRC) examinations through the T-WROP.

Requires the DLWD to allocate funding to administer the T-WROP, provide job-profiling training and services to employers, and conduct a virtual training program for communities on participation in the T-WROP. Subject to appropriation, the DOE is required to allocate funding for high school students to take assessments through the T-WROP.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$3,306,100/FY21-22
\$3,016,900/FY22-23 and Subsequent Years**

Assumptions:

- This legislation will result in a significant increase in expenditures for the DLWD and the DOE to carry out the provisions of this legislation.
- Such costs will include additional positions for both the DLWD and the DOE and large numbers of tests for adult displaced workers and students.
- The DLWD will require one adult educational consultant-2, one adult educational consultant-3, and five career specialist-1 positions, to carry out the provisions of this legislation.
- A recurring increase in state expenditures of \$456,640 (salaries \$343,896 + benefits \$104,344 + communications \$7,000 + supplies \$1,400) and a one-time increase in state expenditures of \$8,400 for computers.
- Based on information provided by the DLWD, the Department would pursue a new module with Jobs4TN, resulting in a one-time initial cost of \$312,840 for the initial change request and \$32,000 for each subsequent year.

- Based on information provided by the DLWD, the annual cost to provide NCRC tests per year for approximately 30,000 adult displaced workers, at \$22 per test, will result in a recurring increase in state expenditures of \$660,000 (30,000 x \$22).
- Based on information provided by the DOE, it will require 4 educational consultants-2.
- A recurring increase in state expenditures of \$284,220 (salaries \$216,480 + benefits \$62,940 + communications \$4,000 + supplies \$800) and a one-time increase in state expenditures of \$4,800 for computers.
- The annual cost to provide NCRC tests per year for approximately 72,000 students, at \$22 per test, will result in an increase in state expenditures of \$1,584,000 (72,000 x \$22).
- An increase in state expenditures in FY21-22 of \$3,306,100 (\$456,640 + \$8,400 + \$312,840 + \$660,000 + \$284,220 + \$1,584,000).
- An increase in state expenditures in FY22-23 and subsequent years of \$3,016,860 (\$456,640 + \$32,000 + \$660,000 + \$284,220 + \$1,584,000).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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